

S.A.M.E San Diego Post

24 July 2002



Rear Admiral Michael R. Johnson, CEC, USN

Chief of Civil Engineers

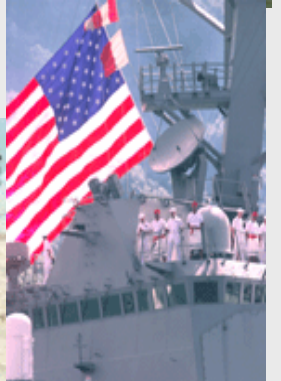
Commander, Naval Facilities Engineering Command

“Roadmap” for Today’s Brief

- **Navy Transformation**
- **Shore Installations**
- **Facilities Investments**
- **Programs – A Global Workload**
- **Mission First, People Always**
- **IT Direction**
- **Summary**
- **Questions and Answers**

Naval Mission ... Fight & Win

Navy/Marine Combat Team must
Assure Allies,
Deter, Dissuade, and
Swiftly Defeat
America's adversaries
Decisively



Navy Transformation

Quadrennial Defense Review



Naval Forces

- Key = Transformed units with diverse, new capabilities
- Forward deployed units
 - * influence events
 - * deter/prevent attacks

Efficient Facilities Initiative

- Needed to revitalize the DOD establishment and quality of service



*NAVFAC Headquarters Building 33, Washington Navy Yard,
Washington, DC*

Navy Transformation

The Navy Team Has Changed...

1989



2002

Personnel afloat

Steaming Days/Qtr

1989

48.5%
Pacific

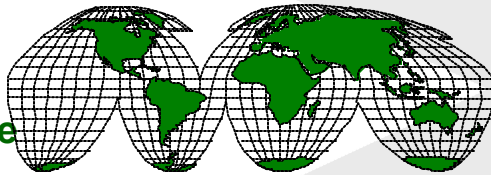
40.3%
W. Atlantic

7.8%
E. Atlantic/Med.

3.4%
Middle East

52

but the Navy
still has to
project presence



2002

44.1%
Pacific

40.6%
W. Atlantic

1.8%
E. Atlantic/Med.

13.5%
Middle East

54

Downsizing Impact 1989-2002

- MILPERS..... 37% ↓
- Operating aircraft.... 10% ↓
- Ships..... 48% ↓
- CIVPERS..... 51% ↓
- OPTEMPO..... 4% ↑

Increased Family Support

- 48% Married
- 510,000 Family members
- 52% of Spouses work
- Avg 2 children per family

Single Parents

Officer and

Enlisted 23,835

Dual Military

Officer and

Enlisted 7,738

The Navy Team

~320k Enlisted, ~ 60k Officers

~ 88k SELRES, ~190k Civilians

Navy Transformation

Total Force: Who we are

	<i>Active</i>	<i>Reserves</i>	<i>Civilian</i>	<i>Prime Contractors</i>
Navy	382,000	87,800		
USMC	172,000	39,500		
Navy/USMC			183,500	
NAVFAC, CEC, & Seabees	9,897	~ 13,000	13,103	>340



Navy Transformation

Our Diversity and Education

	<i>NAVY</i>	<i>USMC</i>	<i>NAVFAC</i>
Women	18%	6%	17%
Men	82%	94%	83%
Minorities	28%	33%	31%
High School Diploma	98%	99%	96%
Bachelors Degrees	34%	10%	38%
Masters Degrees	11%	2%	11%

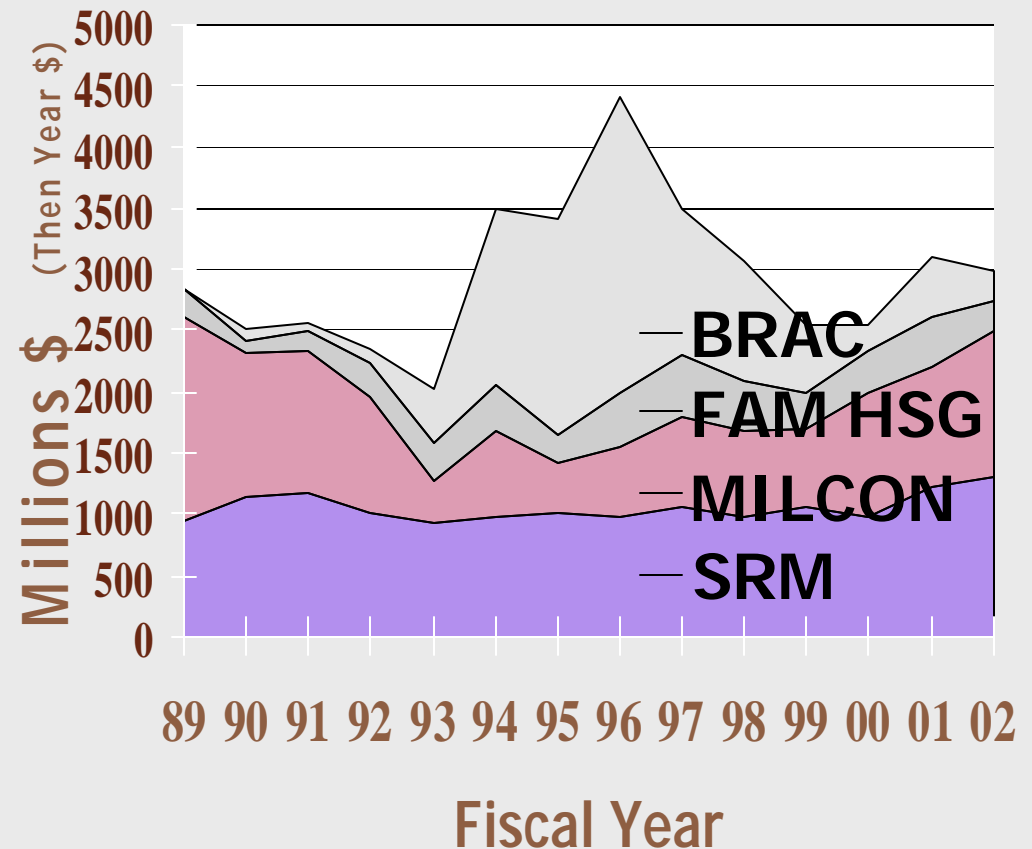


Navy Transformation

...and Naval Installations Have Changed

1989  2002

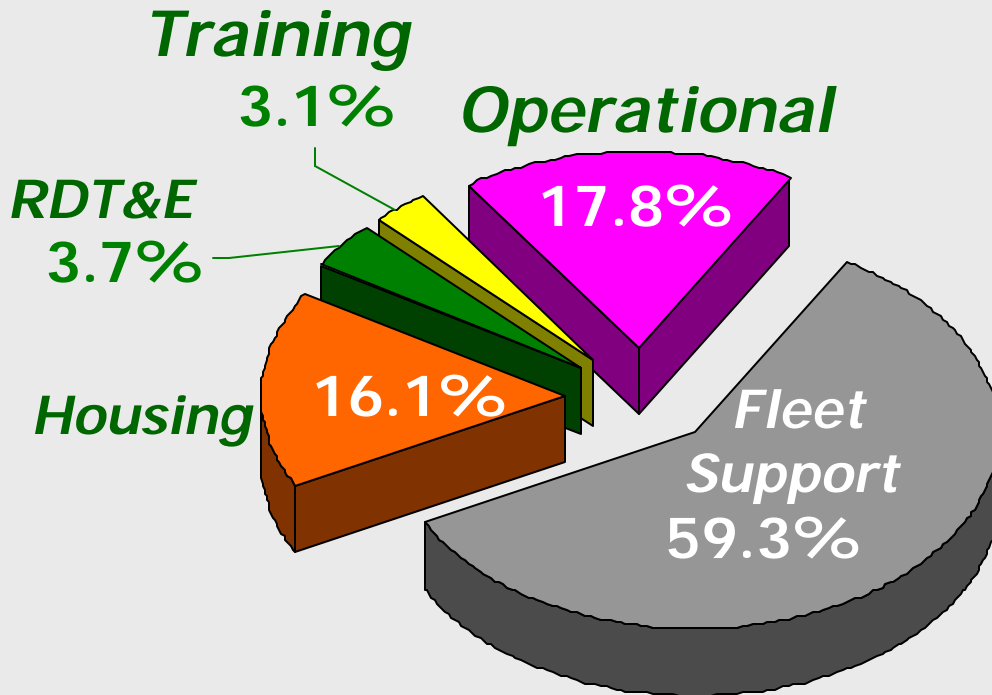
- Closed 135 bases (all sizes)
- Realigned 44 bases
- CONUS land size down 33%



The Navy and Installations continue to face the challenges of an ever changing environment

Shore Installations

DoN Total Force (By PRV, as of Apr 2002)

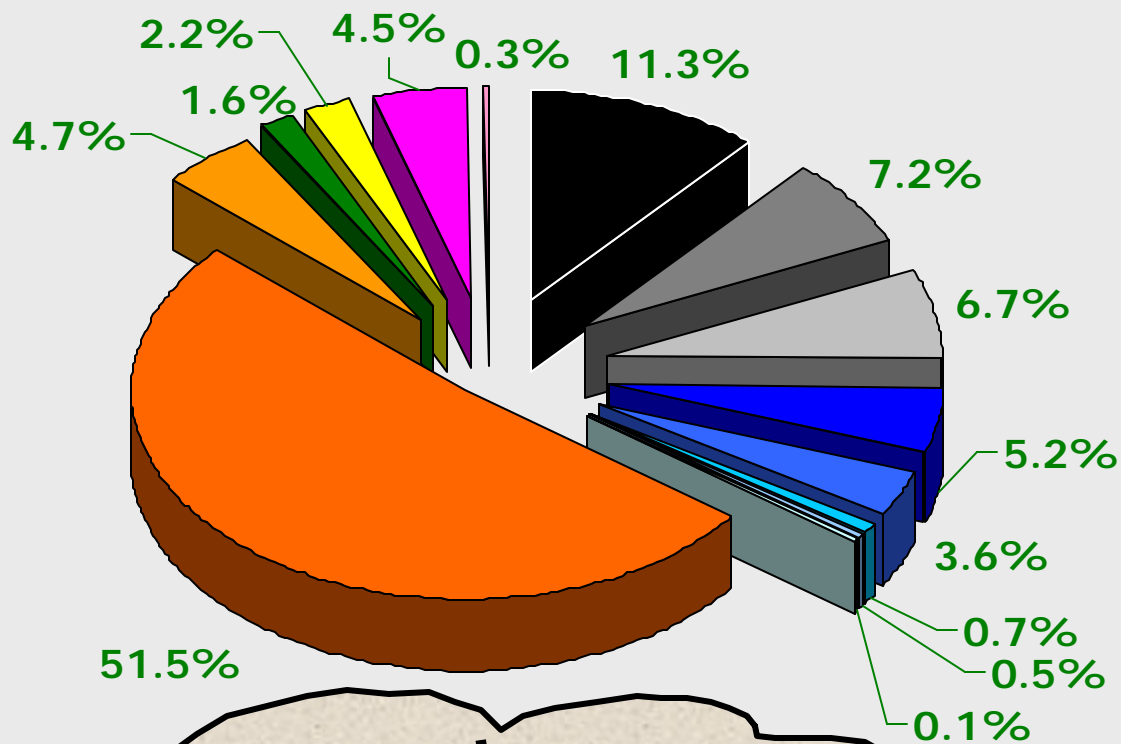


- **Operational - \$32.1B**
Waterfront & Air Operations
- **Training - \$3.6B**
Classrooms & Trainers
- **Fleet Support - \$106.7**
Maintenance, Production, Supply, Medical, Admin, MWR, Museums, Utilities
- **RDT&E - \$6.8B**
Labs
- **Housing - \$29.0B**
Family Housing & BQs

**Total
Plant Replacement Value:
\$180.2 Billion**

Shore Installations

DoN Total Force (By # of Buildings, as of Apr 2002)

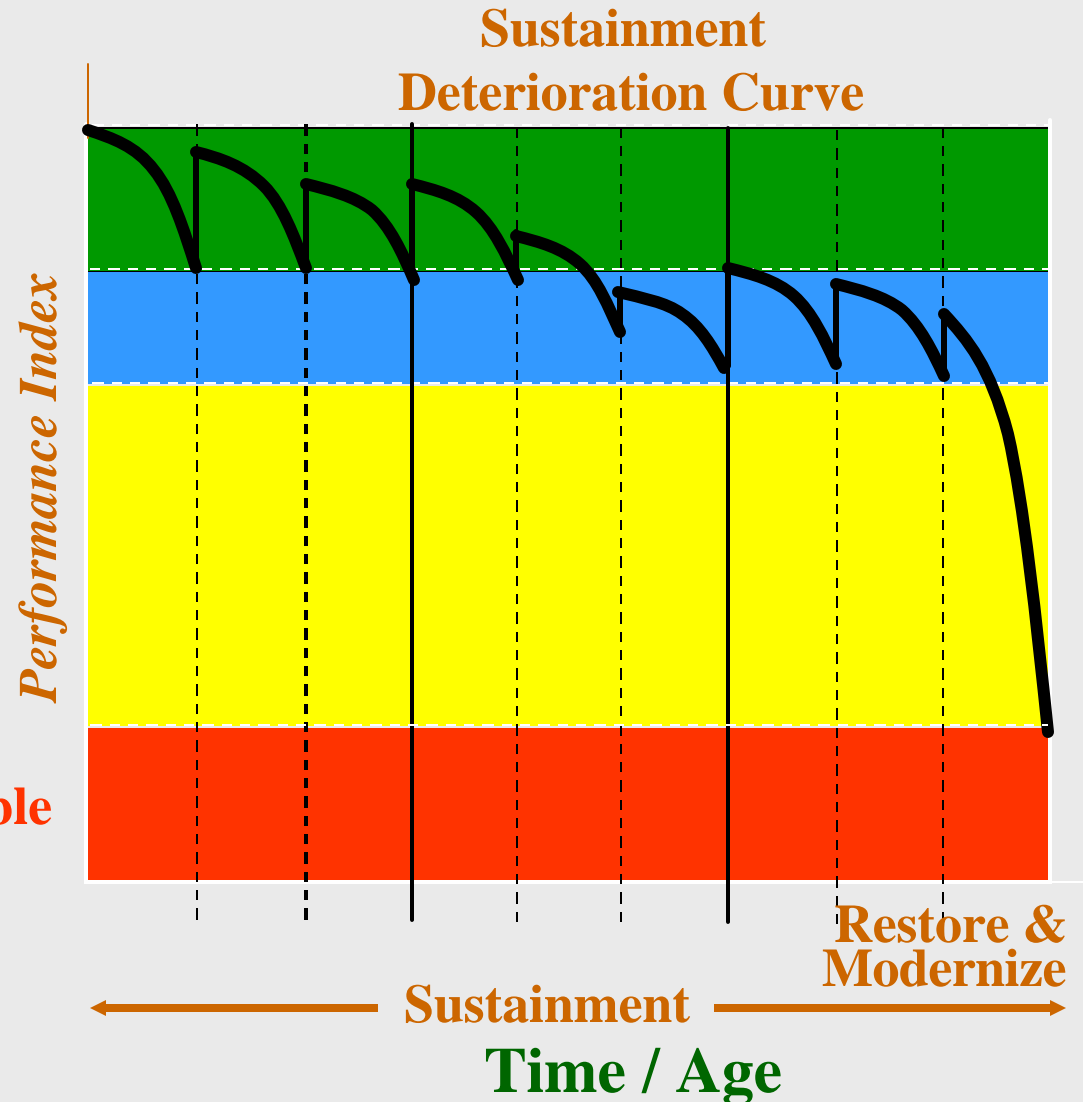


■	MWR (11321)
■	Maintenance (7191)
■	Utilities (6704)
■	Supply (5236)
■	Admin (3598)
■	Production (740)
■	Medical (461)
■	Museums (58)
■	Family Hsg (51831)
■	BQ (4676)
■	RDT&E (1576)
■	Training (2213)
■	Operational (4531)
■	Waterfront (347)

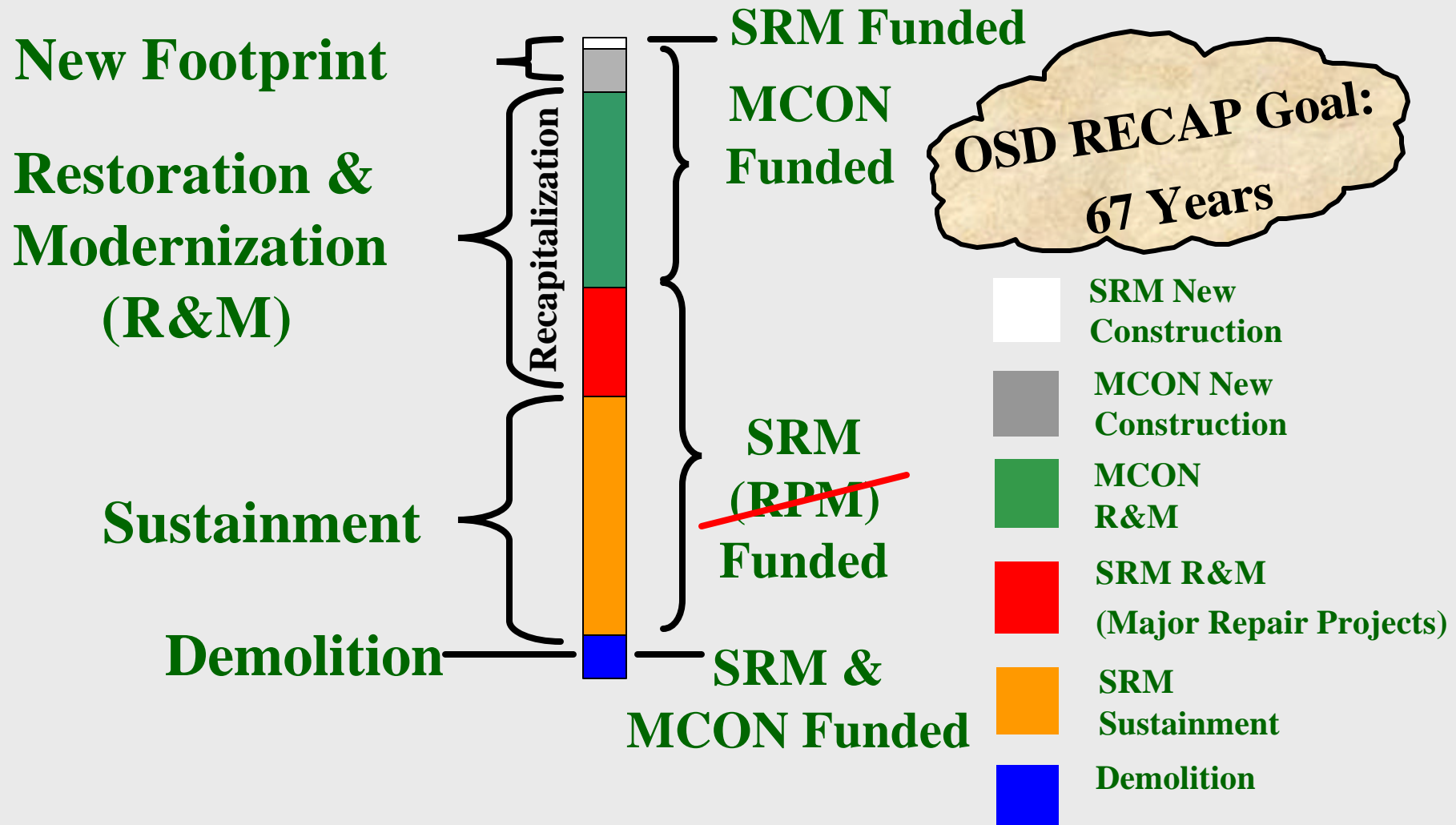
Total
Number of Buildings:
100,483

Shore Installations

Facility Performance vs. Service Life

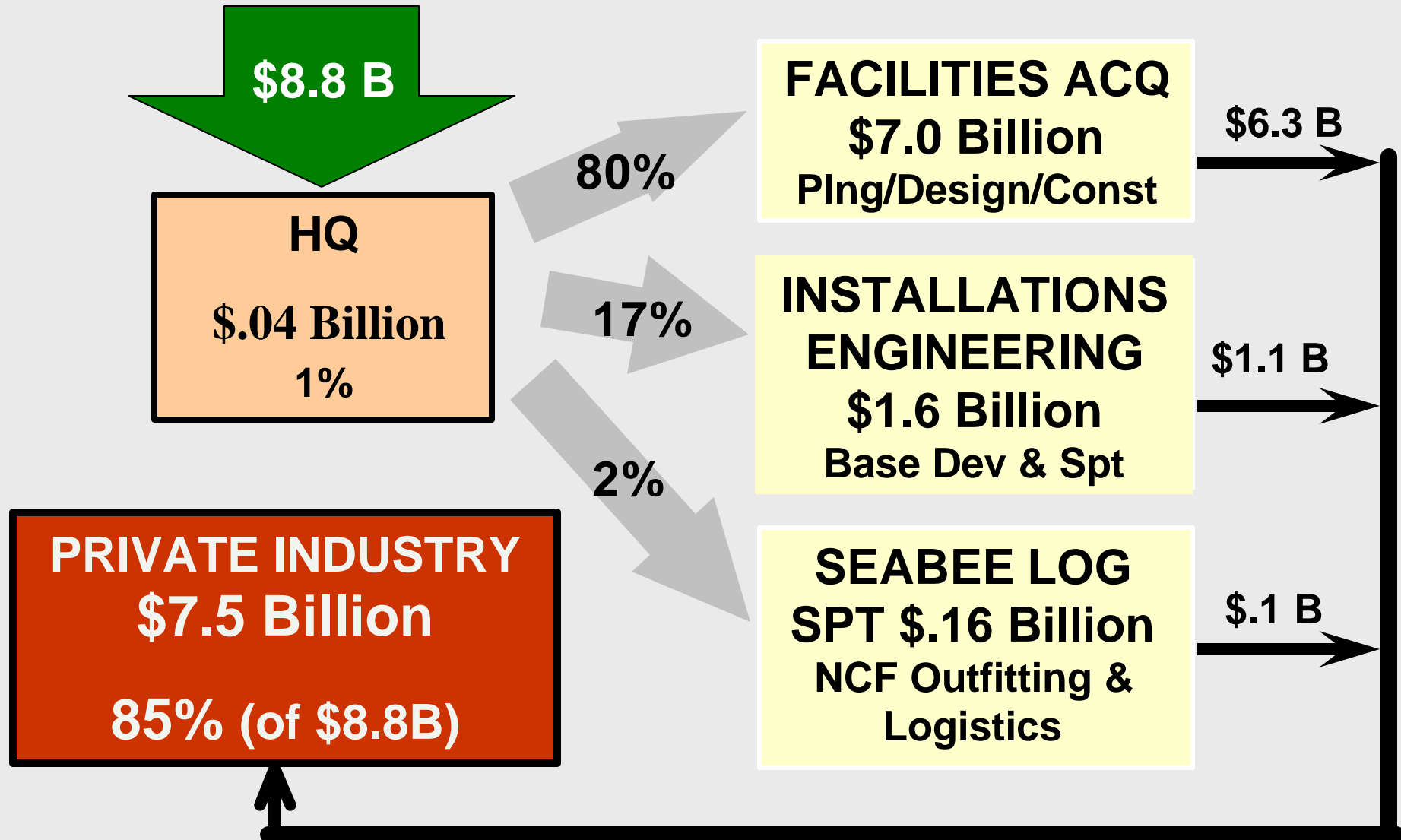


DoN Facility Funding Investment and Divestment



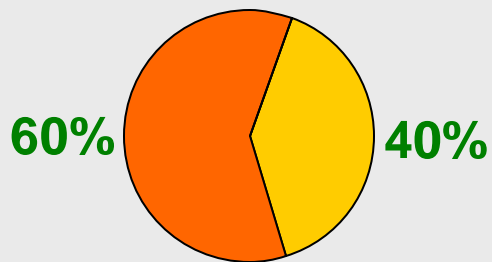
Facilities Investments

NAVFAC Macro Funding Flow FY 02

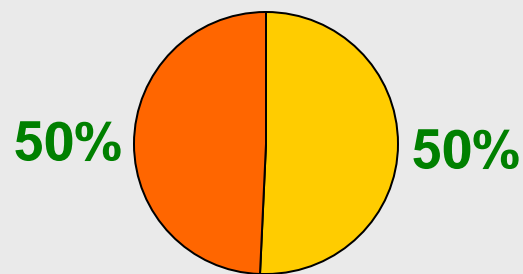


Facilities Investments

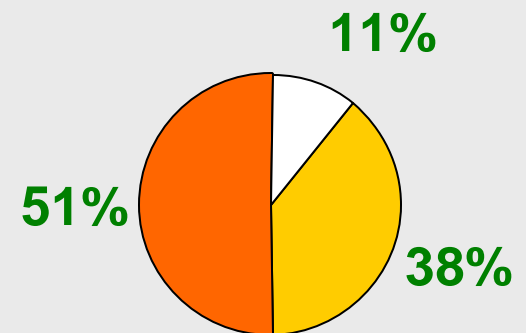
Design Approach



FY 02: \$1.9 B



FY 03: \$1.5 B



FY 04: \$1.4B - \$1.7B

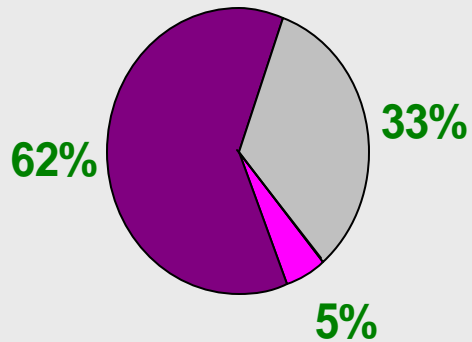
 **DB**

 **100% DESIGN**

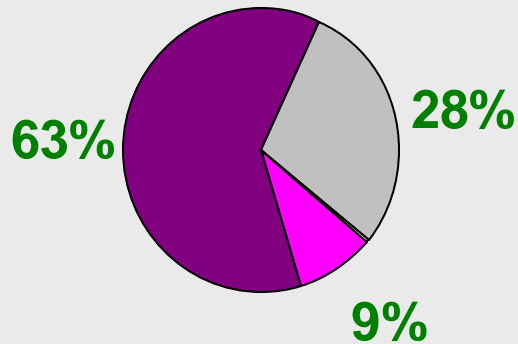
 **UNDECIDED**

Facilities Investments

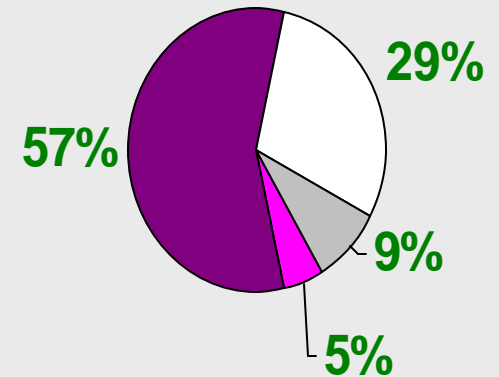
Contract Strategy



FY 02: \$1.9 B



FY 03: \$1.5 B



FY 04: \$1.4B - \$1.7B

RFP

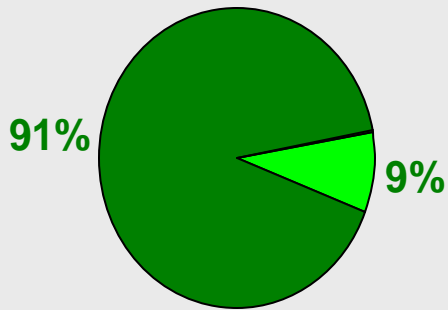
IFB

MACC

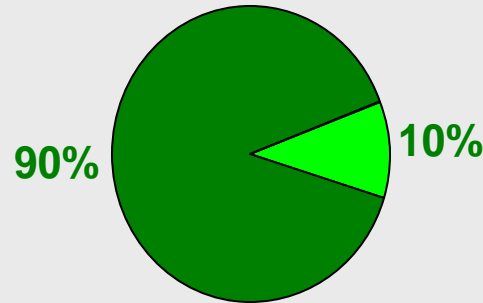
UNDECIDED

Facilities Investments

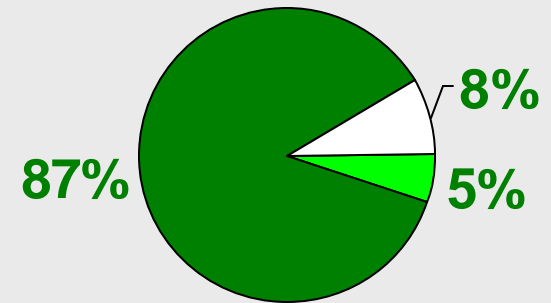
Pricing Strategy



FY 02: \$1.9 B



FY 03: \$1.5 B

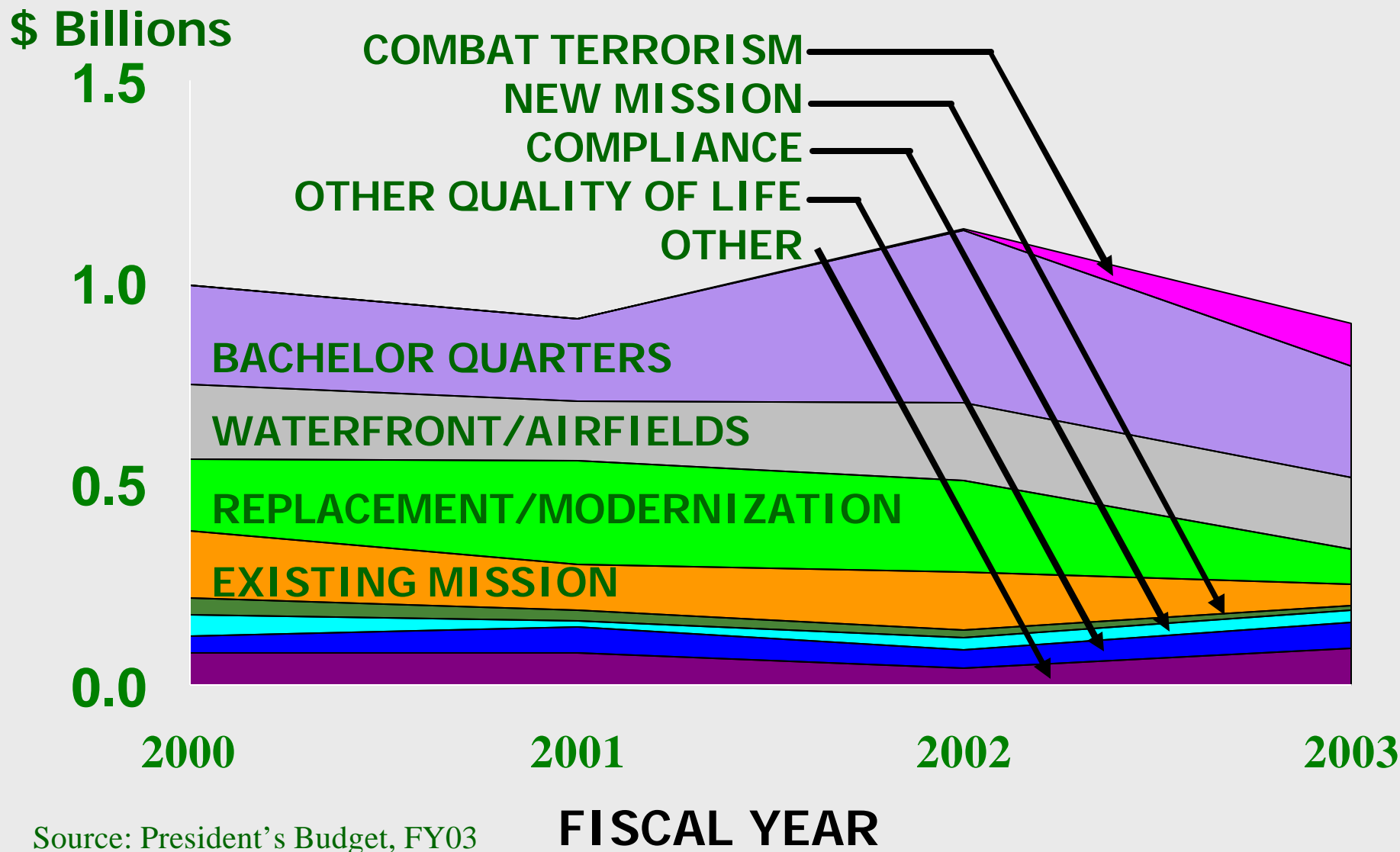


FY 04: \$1.4B - \$1.7B

■ BEST VALUE ■ LOW PRICE □ UNDECIDED

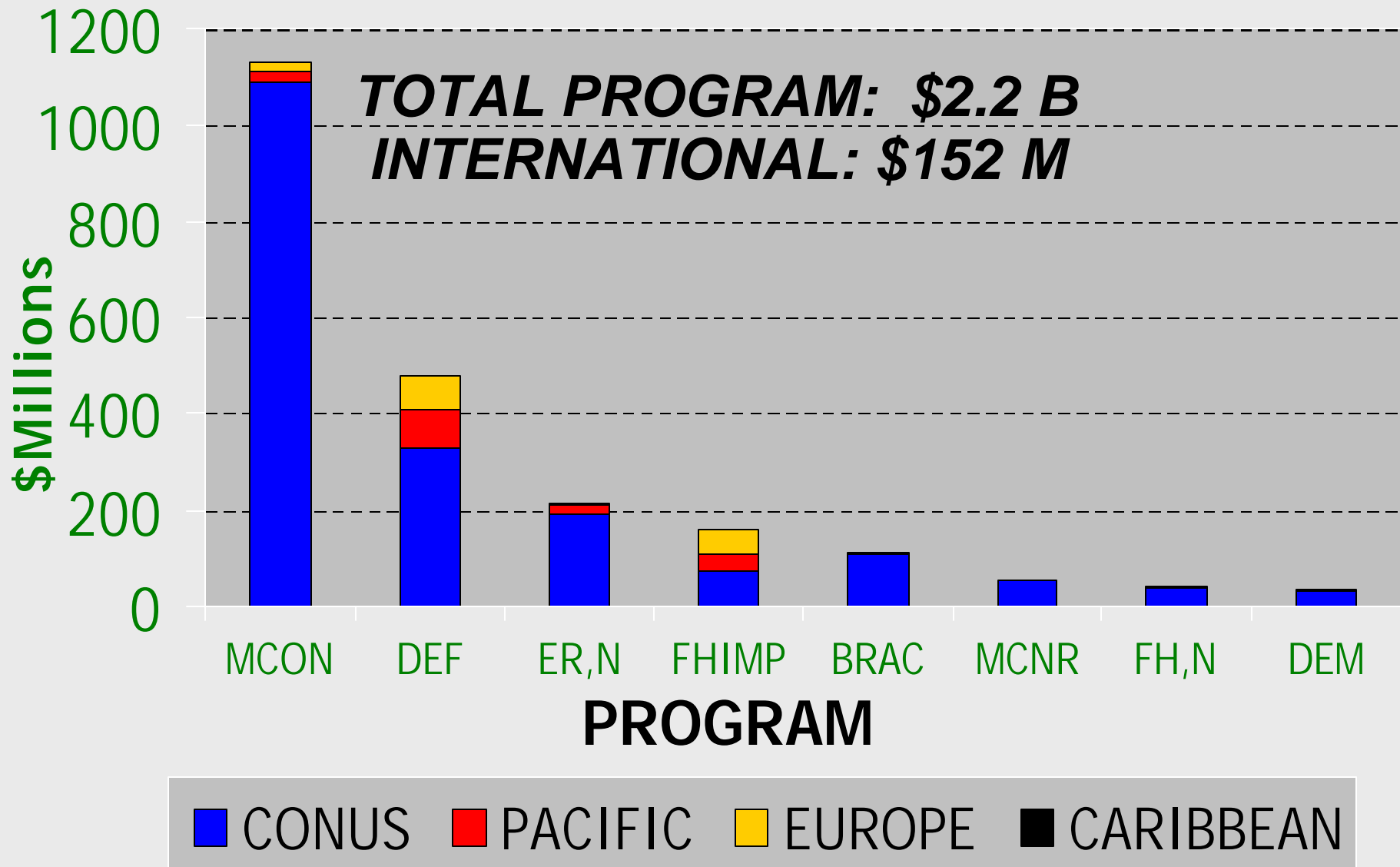
Facilities Investments

Military Construction Program



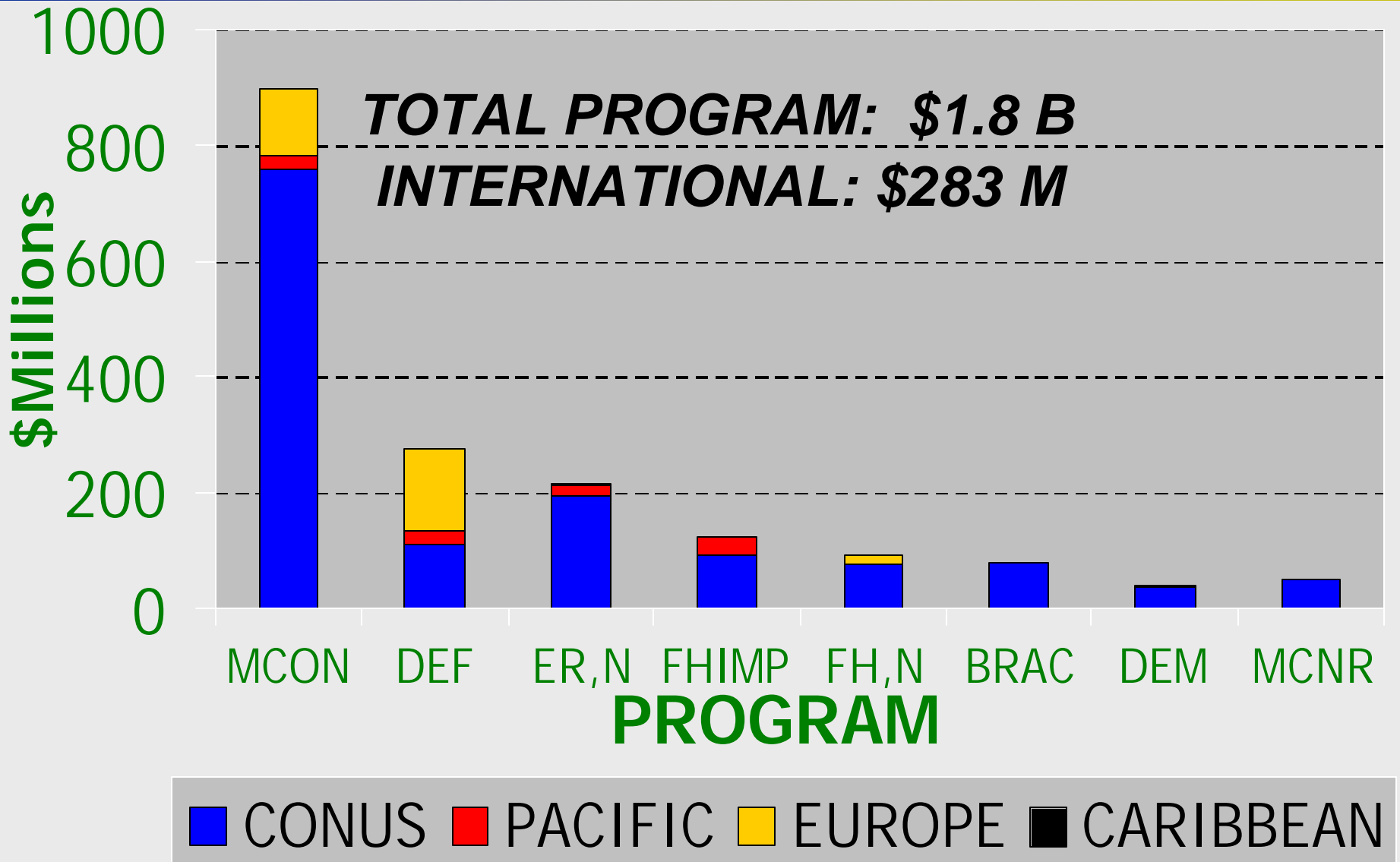
Programs – A Global Workload

FY02 Global Workload



Programs – A Global Workload

FY03 Global Workload



Programs – A Global Workload

NAVFAC Business Objectives

- ✓ **FASTER** ... Agile & Flexible
- ✓ **BETTER** Smarter
- ✓ **CHEAPER** Best Value
- ✓ **EASIER** Interoperable & Interdependent
- ✓ **SAFER** An absolute
(Operational Risk Mgt -- 24/7/365) !

Mission First, People Always

One "Facilities Engineer Voice"

Leadership & Professionalism

Understanding Roles

Respect & Support

Communications

Pride

$$1 + 2 + 3 + 4 + 5 =$$



Mission First, People Always

Concepts/ Trends /Innovative Acquisition

- ✓ **Continue Regionalization**
- ✓ **Emphasize Design-Build**
- ✓ **Use more Sustainable Development**
- ✓ **Increase Public-Private Ventures**
- ✓ **Implement Electronic Acquisition**
- ✓ **Improve Partnering Process**



Mission First, People Always

Construction Contracting

Yesterday

- Design-Bid-Build
- Low bid
- Adversarial

Today

- Design Build
- Best Value Selection
- Selected bidders
- Multiple Award Contracts

Tomorrow

- Design-Build-Operate-Maintain (*Finance?*)
- Sustainable Development
- Building Commissioning
- “Real” Partnering

Benefits

- Reduced acquisition time
- Life-cycle costing decisions
- Improved quality

Mission First, People Always

Services Contracting

Yesterday

- Small, single function contracts
- Prescriptive contracts
- Low bid awards
- Basic services

Today

- BOS / A-76 contracts
- Best value contracting
- Include technical services

Tomorrow

- Regional BOS contracts
- Performance-based contracts
- Navy-wide standards
- Long-term (award term)

Benefits

- Reduced costs
- Integrated support
- Web-based

Mission First, People Always

Housing

Yesterday

- Inadequate standards
- Government ownership
- OOP

Today

- Limited Public-Private ownership
- Improving standards
- Improved BAH

Tomorrow

- Significant PPV
- Private sector standards
- ZERO % OOP

Benefits

- Quality, affordable housing
- Reliance on private sector
- Leverage financing

Mission First, People Always

Family Housing PPV

Success Story ...

- **5,684 units privatized**
 - Kingsville, TX
 - Everett, WA
 - Camp Pendleton, CA
 - San Diego, CA
 - New Orleans, LA
 - Corpus Christi/Ingleside, TX
- **\$610 million Total Development Cost**
- **\$117.4 million DoN contribution**



De Luz Neighborhood, Camp Pendleton, CA

**LEVERAGE
ACHIEVED**

✓ **\$492.6 million**

Mission First, People Always

Bachelor Housing PPVs

New Prototype Explored ...

- **Hampton Roads**
 - Privatize 3000+ existing BH modules
 - Build 3000+ new BH modules
- **USMC considering similar initiative at Camp Pendleton and Quantico**
- **Legislation Pending**



*Navy-owned Bachelor Housing
Fleet Combat Training Center Atlantic, Dam Neck,
Virginia Beach, VA*

Mission First, People Always

DoN Utilities Privatization (UP)

UP is a cost-effective DOD initiative for improving the condition and reliability of our utility systems ...

- **892 systems @ 138 activities**
- **PRV = \$19 Billion**

Proposed Plan

2002: Issue Remaining RFPs

2003: 82% Source Selection

2004: 45% Complete UP Process

2005: 100% Complete UP Process

2010: Support elimination of C3/C4 Recapitalization Period



Mission First, People Always

ATFP/Critical Infrastructure Protection

Define Process, ID Threats, ID Risks, Mitigate

Designers will need capabilities in:

- Blast resistant design
- Progressive collapse analysis
- Mitigating hazardous flying debris from glazing
- Utilizing creative planning approaches to security designs

ATFP Key Elements

1. Effective Security

Program: Deter, Delay, Detect, Alert, Respond, Neutralize

2. Site Security:

Access control & stand-off distance

3. Building Security:

Standardize Designs to improve performance & lessen risk

Mission First, People Always

NAVFAC's IT System Direction

- **Migrating from Local to Enterprise**
 - Value added, Corporate-wide solutions
 - Web-based, Single Platform technology
 - Standard Foundational Infrastructure—NMCI
(Navy Marine Corps Intranet)
- **Application Integration**
 - Reduced portfolio
 - Common data environment
 - Standard, integrated applications
- **Increased Security**

NAVFAC Internet Sites

- **NAVFAC Home Page**

<http://www.navfac.navy.mil>

(includes access to all NAVFAC component web sites: EFDs & EFAs, PWCs, and Specialty Centers)

- **NAVFAC Electronic Solicitations**

<http://esol.navfac.navy.mil>

(Won Best DoD EC Web Business Implementation Award)



- **NAVFAC Community Management**

<http://cmcell.navfac.navy.mil>

- **Related Sites:**

- **Foundation Knowledge Portal** **<http://foundationknowledge.com>**
(Knowledge Management Portal for Facilities, Infrastructure, and Environment; NAVFAC-initiated project with CADD/GIS Technology Center)
- **Constructor Magazine, Sept 2001**
<http://www.agc.org/content/public/pdf/newsbulletins/constructor/2001/sept2001.pdf> *(p. 30 information on NAVFAC developments)*
- **Naval Construction Force** **<http://www.seabee.navy.mil>**

NAVFAC's Direction

- ✓ Global Facility Engineer Solution Providers
- ✓ Innovative Engineer Acquisition Processes
- ✓ Exploiters of the Web
- ✓ One Facilities Engineer Voice



NAVFAC Headquarters Building 33
Washington Navy Yard, Washington, DC

For SAME or corporate issues ...

CDR Susan Globokar
Engineer Operations Center
NAVFAC Headquarters

(202) 685-9208

GlobokarS@navfac.navy.mil



Need YOUR Help to Tow the Line ...



✓ Innovative Solutions

- Engineering-Design
- Contracting/Partnering
- Construction/Commissioning

✓ Special Needs

- ATFP/Security Measures
- Infrastructure Protection
- Web-based Info. Mgt. Systems

✓ Life-Cycle Facilities Support

- Facilities Sustainment
- Facilities Restoration
- Facilities Modernization
- New Construction